FISCAL NOTE

SB 3020 - HB 3727

March 19, 2006

SUMMARY OF BILL: Permits parents of at-risk children eligible for voluntary pre-K programs to choose to send their children to private pre-K providers in lieu of attendance in an LEA program or an LEA program in collaboration with a non-school system entity. The Department of Education shall compile and maintain a registry of private child care providers located within the state from which such parents may choose.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - $242,000

Increase Local Govt. Expenditures – Exceeds $100,000*
Decrease Local Govt. Revenues – Exceeds $100,000

Assumptions:

- Three additional Childcare Program Evaluator positions (one for each grand division) to monitor the list of sites on the registry for compliance with all mandated Pre-K rules, regulations, and State Board policy. The state cost of these positions plus related expenses is estimated to be approximately $180,000.
- One additional position in the Department of Education to generate the list of approved providers, monitor compliance, offer technical assistance for EIS reporting, and receive and investigate complaints. The state cost of this position is estimated to be approximately $62,000.
- There would be a decrease in local government revenue with a corresponding increase in local government expenditures due to at-risk children choosing to move from a public program to a private program. Such decrease in revenue and increase in expenditures would depend upon the number of children who would go to private providers who would not have gone otherwise, but is estimated to exceed $100,000 respectively.
- The transfer of funds from LEAs to private providers would decrease the amount of funding per LEA Pre-K classroom since state funds follow the child.
- Pre-K classrooms are funded on a per classroom basis rather than a per child basis.
- Current law does not allow the charging of fees or tuition for the purpose of enrolling or attending a public Pre-K program.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James W. White, Executive Director